

STANDARD PROCUREMENT SYSTEM (SPS)



DLA ACAT IAM Program

Total Number of Systems:	1,077 sites (42,000 users)
Total Program Cost (TY\$):	\$418M
Average Unit Cost (TY\$):	\$388K
Full-rate production:	FY03

Prime Contractor

American Management Systems, Inc.

SYSTEM DESCRIPTION & CONTRIBUTION TO JOINT VISION 2020

The Standard Procurement System (SPS) will improve the speed and effectiveness of contract placement and contract administration functions. It will interact more effectively with other DoD activities and with industry, and improve visibility of contract deliverables while maintaining DoD readiness with reduced resources. SPS will comprise components at multiple levels, including mainframe processing at Defense Information Systems Agency MegaCenters, minicomputers at the intermediate level, and Local Area Network-based workstations at the user level. Software will consist of selected operating systems, network operating systems, client-server software, distributed systems software, and American Management Systems' commercial-derivative software.

SPS was designated the Corporate Information Management initiative for the functional area of procurement. Each Service and Agency will provide the underlying infrastructure to host the SPS software. Although SPS accommodates electronic commerce/electronic data interchange transactions, each Service and Agency must provide SPS the access to electronic commerce/electronic data

interchange gateways. SPS supports the *Joint Vision 2020* operational concept of *focused logistics* by enabling Defense agencies to work more effectively with the civilian sector in procurement activities.

BACKGROUND INFORMATION

The SPS acquisition strategy is based on procuring and enhancing American Management Systems' "Procurement Desktop-Defense" software. To be delivered in four increments, SPS Increment 1 software offers basic system functionality and was fielded to limited Defense Logistics Agency and Navy sites after completing IOT&E in 3QFY97.

SPS Increment 2 software builds upon the functionality provided in Increment 1 and was operationally tested in 4QFY97. In October 1997, the Joint Interoperability Test Command (JITC) completed Increment 2 OT&E in accordance with a TEMP approved by DOT&E in July 1997. Test results showed 35 system deficiencies associated with open priority 2 trouble reports. These deficiencies had major impact to operations. After a series of additional OT activities, during which the SPS Program Management Office (PMO) addressed the outstanding priority 2 trouble reports to the satisfaction of DOT&E, JITC completed its evaluation. JITC concluded that non-automated and semi-automated procurement offices currently using or scheduled to receive Increment 1 software would benefit by the increased functionality in Increment 2. DOT&E concurred with the JITC assessment. Increment 2 software was retrofitted at sites with Increment 1, and was installed at additional selected DLA and Navy sites.

From May-June 1998, JITC conducted OT at two Army sites and OA at two Navy sites on a portion of the Increment 3 software functionality (not yet including the external system interfaces) in accordance with an OTP approved by DOT&E in May 1998. Based on the user-validated requirements in the ORD, JITC found that Increment 3 software was operationally effective and suitable for only a small number of contracting offices that had no or minimal prior automated procurement support. Due to the significant number of system deficiencies, inaccuracies, and incomplete functionality that prevented users from accomplishing their procurement mission, JITC determined that Increment 3 software was neither operationally effective nor operationally suitable for procurement offices fully supported by legacy procurement systems.

DOT&E also concluded that SPS Increment 3 software was not operationally effective and not operationally suitable. While users at the four test sites were able to complete most of the simplified acquisition procedures using Increment 3 software, significant shortfalls existed for performing functions associated with large procurement contracts. Security deficiencies allowed unauthorized users to access and alter solicitation and contract documents. User and system administration training was inadequate. In addition, more than a hundred deficiencies of major or moderate operational impact were identified. DOT&E recommended that the PMO take immediate actions to correct these deficiencies prior to full fielding.

Since the completion of Increment 3 OT&E, testing activities have been focused on conducting OAs on Increment 3 follow-on releases to verify corrections of deficiencies and to assess enhanced capabilities. In March 1999, JITC conducted an OA on an Increment 3 follow-on release (Version 4.1) to verify corrections of known system deficiencies and identify any improvements or degradation of system capabilities relative to earlier versions. The OA was conducted at the Defense Information Technology Contracting Office, Scott AFB, IL.

The results of the OA were mixed. Of the previously identified 59 deficiencies with major operational impact, users confirmed that 19 were fixed, 3 were partially fixed, 24 were not fixed, and the remaining 13 had undetermined status. Of the previously identified 76 deficiencies with moderate operational impact, users confirmed that 18 were fixed, 6 were partially fixed, 39 were not fixed, and the remaining 13 had undetermined status. Further, results indicated that new deficiencies were found—6 with major operational impact and 13 with moderate operational impact. Deficiencies were categorized as undetermined if they could have been caused by poor training or inadequate help desk support or they could not be replicated or were not associated with functions used at the Defense Information Technology Contracting Office. Despite the mixed test results, users noted that system functionality had improved in comparison with the previous versions. Furthermore, improvements were also noted in the user manuals, user interface, and system response times.

TEST & EVALUATION ACTIVITY

Throughout FY00, JITC continued to conduct OAs for SPS Increment 3 follow-on releases to provide user feedback to improve SPS performance. JITC uses sites that had already converted over to SPS from their legacy systems: Standard Army Automated Contracting System—Federal for the Army users, Automated Procurement and Data Entry system for the Navy users, and Base Contracting Automated System for the Marine Corps and Air Force users. To date, JITC has conducted OAs at 4 Army sites, 14 Navy and Marine Corps sites, and 2 Air Force sites.

TEST & EVALUATION ASSESSMENT

The attitude of the work force is generally positive toward the changes brought about by SPS. As knowledge and experience with the SPS application increase, users believe they will be better able to use SPS to support their contracting activities. They also stated that SPS holds much potential in their operational environments as the system matures. However, the currently installed versions of SPS are unforgiving of changes that need to be made in processing contracting actions. For example, even a minor change to a purchase request requires significant effort—the purchase request must be routed back and forth between the contracting specialist and the customer before the modification can be completed. This practice is time-consuming and feeds user perceptions that SPS increases the time needed to complete common contracting tasks.

Based on Increment 3 OA findings, a variety of issues remain; some span many OA sites and some are site-unique. In general, users expressed a desire for longstanding deficiencies to be corrected. An example is the lack of system capability to support the processing of DoD 350 and 1057 reports. Accurate and reliable reports are necessary to comply with Federal Acquisition Regulation/Defense Federal Acquisition Regulation requirements. Users also expressed the need for enhancements to the system. For instance, automatic renumbering of Contract Line Item Numbers (CLINs) does not occur when a CLIN is deleted from a document, presenting a significant problem when working on large contracts with many CLINs.

DOT&E will continue to work with JITC and SPS PMO to verify deficiency corrections and functionality improvements. A full OT&E is planned for SPS Increment 4—the full operational capability system—in late FY02. Increment 4 is intended to provide full functionality to support major weapons system contracts, including all external system interfaces and electronic commerce/electronic data interchange capabilities.

CONCLUSIONS, RECOMMENDATIONS AND LESSONS LEARNED

Even though progress has been made, the SPS PMO must continue to focus on correcting deficiencies identified during previous tests. To ensure that formal OT&E of Increment 4 truly tests the capability of SPS in supporting the operational missions of procurement offices, robust developmental testing and system acceptance testing must be completed first. Furthermore, the user communities and SPS PMO must be fully supportive of JITC's efforts in developing a sound and comprehensive operational test plan.